

Presentment Date and Time: September 9, 2009 at 12:00 noon (Prevailing Eastern Time)
Objection Deadline: September 9, 2009 at 10:00 a.m. (Prevailing Eastern Time)
Hearing Date and Time (Only if Objection Filed): September 15, 2009 at 10:00 a.m. (Prevailing Eastern Time)

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Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11 Case No.
: :
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : 08-13555 (JMP)
: :
Debtors. : (Jointly Administered)
: :
: :
-----x

**NOTICE OF PRESENTMENT OF
STIPULATION AND AGREED ORDER RESOLVING
DISPUTE REGARDING OPEN TRADE CONFIRMATION WITH WESTLB**

PLEASE TAKE NOTICE that the undersigned will present the annexed Stipulation and Agreed Order (the “Stipulation”) among Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtors in the above referenced Chapter 11 cases, including Lehman Commercial Paper Inc. (“LCPI”), as debtors and debtors in possession (collectively, the “Debtors”) and WestLB AG, London Branch, for signature on **September 9, 2009 at 12:00 p.m. (Prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that unless a written objection to the proposed Stipulation, with proof of service, is served and filed with the Clerk of the Court and a courtesy copy is delivered to the Bankruptcy Judge’s chambers and the undersigned so as to be received by **September 9, 2009 at 10:00 a.m. (Prevailing Eastern Time)**, there will not be a hearing and the Stipulation may be signed.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely served and filed, a hearing (the “Hearing”) will be held to consider the Stipulation on **September 15, 2009 at 10:00 a.m. (Prevailing Eastern Time)** before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, Courtroom 601, One Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted or denied upon default.

Dated: September 1, 2009
New York, New York

/s/ Jacqueline Marcus

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al., : 08-13555 (JMP)
Debtors. : (Jointly Administered)
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**STIPULATION AND AGREED ORDER RESOLVING DISPUTE
REGARDING OPEN TRADE CONFIRMATION WITH WESTLB**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

This Stipulation and Agreed Order (this “Stipulation”) is entered into by and between Lehman Brothers Holdings Inc. (“LBI”) and its affiliated debtors in the above-referenced chapter 11 cases, including Lehman Commercial Paper Inc. (“LCPI”), as debtors and debtors in possession (together, the “Debtors”), and WestLB AG, London Branch (“WestLB”).

RECITALS

A. On September 15, 2008, and periodically thereafter (as applicable, the “Commencement Date”), the Debtors commenced with this Court voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are authorized to

operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. Prior to the Commencement Date, the Debtors were active in the secondary loan market. In this capacity, the Debtors purchased and sold both par and distressed commercial loans.

C. The Debtors' prepetition trades were reflected in various oral and written confirmations (the "Trade Confirmations"). Generally, each Trade Confirmation represented a binding agreement to purchase or sell a position in par or distressed loans at an agreed price. However, the ensuing transaction was not consummated and settled until, among other things, both counterparties executed formal transfer documentation and the purchaser tendered payment.

D. As of the Commencement Date, the Debtors had entered into, but had not yet consummated and settled, hundreds of Trade Confirmations (the "Open Trade Confirmations"). These Open Trade Confirmations are executory contracts subject to assumption or rejection under section 365 of the Bankruptcy Code.

E. On November 14, 2008, the Debtors filed a Motion for an Order Pursuant to Section 365 of the Bankruptcy Code Approving the Assumption or Rejection of Open Trade Confirmations [Docket No. 1541] (the "Open Trades Motion"), in which the Debtors designated most Open Trade Confirmations for assumption, rejection or modification.

F. In the Open Trades Motion, the Debtors designated for assumption an Open Trade Confirmation dated June 9, 2008 (with a trade date of June 6, 2008), between LCPI and WestLB for the sale of debt of Tyrol Acquisition 2 SAS (the "WestLB Trade"). *See Exhibit A to the Open Trades Motion, page 7.*

G. WestLB did not file an objection to the Open Trades Motion. Therefore, by Order dated December 16, 2008 [Docket No. 2258] (the “Open Trades Order”), the Court granted the Open Trades Motion with respect to the WestLB Trade, thereby approving LCPI’s assumption of the WestLB Trade. *See* Exhibit A to Open Trades Order, page 11.

H. LCPI subsequently contacted WestLB to close the WestLB Trade. WestLB, however, contends that it is not bound by the Open Trades Order because it was not served with the Open Trades Motion. LCPI disagrees with WestLB and contends that WestLB is bound by the Open Trades Order. LCPI and WestLB have agreed to resolve this dispute pursuant to the terms set forth in that certain letter agreement between LCPI and WestLB dated August 31, 2009 (the “Letter Agreement”).

I. The Debtors and the WestLB (each a “Party,” and collectively, the “Parties”), therefore, have agreed to resolve their dispute as follows:

AGREED ORDER

IT IS HEREBY AGREED AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:

1. The purchase rate for the WestLB Trade shall be reduced to the rate set forth in the Letter Agreement.

2. Except as provided in paragraph 1, WestLB and LCPI shall be bound by the terms of the Open Trades Order with respect to the WestLB Trade.

3. The terms of the Letter Agreement are hereby approved and binding on each of the parties thereto.

4. Each person who executes this Stipulation on behalf of a party hereto represents that he or she is duly authorized to execute this Stipulation on behalf of such party.

5. The Debtors are authorized to execute and deliver all instruments and documents, and take such other actions as may be necessary or appropriate to implement and effectuate the assumption of the WestLB Trade as provided in this Stipulation.

6. This Stipulation and the Letter Agreement constitute the entire agreement and understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof.

7. This Court retains jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Stipulation and the Letter Agreement.

Dated: September 1, 2009

WESTLB AG

/s/ Peter Marchetti
Peter Marchetti

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Attorneys for Debtors
and Debtors in Possession

Dated: _____, 2009
New York, New York

SO ORDERED:

UNITED STATES BANKRUPTCY JUDGE